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ABSTRACT

Past studies have shown Louisiana taxpayers to be victims of gross inequities in the assessment of property with little or no effort being made at the state or local level to implement fair and equitable assessment practices. The 1974 constitution and subsequent statutory law provide an opportunity to correct many of the inequities now existing in property assessment. However, it is unlikely that there will be any semblance of equity unless (1) there is strong and effective supervision exercised by the state tax commission and (2) taxpayers have available a clearly defined and expeditious procedure for appealing inequities in their assessments. Strong penalties for failure to comply with such provisions should be adopted and enforced. Only in this way can Louisiana taxpayers expect fair and equitable assessment of their property. (Author)

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INSURING EQUITY IN PROPERTY TAX ASSESSMENT

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ANALYSIS

Number 215
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2

The Gist of It

Despite new constitutional provisions, property tax inequities will probably persist in Louisiana unless there is strong state supervision of assessors and an easily understood assessment appeal procedure for taxpayers.

Provisions in the 1974 constitution concerning state assessment supervision and appeal procedures are unclear and subject to varying interpretations.

Thus, although the new constitution sets the percentage and type of value at which property shall be assessed, it leaves it up to individual assessors to establish the value of the property, which can lead to inequities if different standards are used.

The familiar inequities of the past surrounding property tax administration in Louisiana should not be allowed to reappear—such as having homes of comparable worth assessed at 25% of value in New Orleans but at only 8% in nearby Metairie, or for similar properties to be appraised or assessed differently within the same parish.

The need for strong supervision and enforcement in the assessment process was pointed out by Gov. Edwin Edwards when he addressed the Constitutional Convention in 1974 and said, "We have to have an automatic triggering device which will require the compliance with whatever decisions are made on assessment practices. We can no longer tolerate the situation which has existed for fifty years, where there's no certainty, and where property owners are left to the whim of the assessors."

PAR recommends that the Louisiana Tax Commission or its successor be mandated, either by law or constitutional amendment if necessary, to establish guidelines and exercise strong and comprehensive supervision over the local assessment process, with strong penalties provided if assessors or the state tax commission fail to comply with the law.

In addition, PAR recommends a clearly defined tax assessment appeal procedure whereby the taxpayer can first appeal to a local board of review, and then either the taxpayer or assessor can appeal that decision to a proposed state board of tax appeals.

PAR is recommending a new board to handle appeals so that those who are charged with administering the property tax do not decide appeals based on their own work.

In addition, as soon after the property tax provisions of the 1974 constitution become effective on January 1, 1978, each taxpayer should be informed in writing of his assessment, how it was determined, and his right of appeal, with the appeal procedure being clearly spelled out.

The recommendations are based on a nationwide survey done by PAR of assessment appeal procedures in other states. Results of the survey are reported in this analysis.

INSURING EQUITY
IN PROPERTY TAX ASSESSMENT

The property tax has traditionally been one of the most unpopular sources of public revenue levied upon citizens. Because so little is known of the "whys, hows and wherefores" of property taxation, many people often come to resent the property tax, to feel that they are somehow being "ripped off" by it, and to begrudge paying property taxes, whether the amount owed is large or small.

Among the most necessary requirements for well administered property taxation are state-level supervision of local assessment practices and the appeals process, with its prerequisite—a knowledgeable taxpayer who understands *why* his property tax assessment is what it is and how his assessment compares with assessments on similar property within the same taxing jurisdiction. Even where property taxes are low (and they are very low on homeowners in Louisiana), there must be *uniformity* in property appraisal and tax assessment to achieve equity. If and when lack of uniformity in local assessment practices is *not* corrected, the taxpayer should have ready access to the evidence and be able to initiate a quick, inexpensive and proper appeal to remedy the inequity.

A 1973 report by the national Advisory Commission on Intergovernmental Relations (ACIR), entitled *The Property Tax—Reform and Relief*, emphasized the importance of a strong state-level tax assessment supervisory and review agency:

> . . . At the least, this means a State-level unit must have the authority to prescribe and enforce uniform appraisal procedures statewide . . . . State supervision of local appraisers requires that the States have authority to set professional staffing standards and levels, as well as appraisal techniques and manuals. The State also must have the power to reject any locality's tax list if the results are unsatisfactory (level too low and/or insufficiently uniform), and to take over appraisal for any locality failing to rectify the deficiency within a reasonable (and stated) period of time.

The ACIR position is not merely a statement of idealism, but in fact describes a national trend. The agency reports that "since 1963, over one-third of the States have reorganized and strengthened their property tax supervisory agencies" while several other states have improved supervision of the assessment process by other means. The International Association of Assessing Officers (IAAO) recently conducted a survey which revealed

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that a majority of respondents shared the conviction that aggressive state-level supervision of the local assessment process was absolutely necessary to insure equity and uniformity in property tax assessment.

Even so, the existence of a strong state-level supervisory and review agency does not guarantee that inequity in property tax assessment will not occur. To provide a remedy for the aggrieved taxpayer in such circumstances, a state must have an accessible and effective assessment appeal procedure.

In many cases taxpayers do not seem to know that they have a legal right to appeal assessments on their property—simply because no one has directly informed them. Nor have taxpayers always been provided with the kind of information (such as published sales-assessment ratio studies) that would encourage or enable them to initiate a successful appeal. (A sales-assessment ratio study shows the relationship between assessed valuation and current sales prices.)

The same ACIR report quoted previously made the following general comments about property tax appeals procedures:

> When the mystery is taken out of assessing—when each taxpayer is informed of the assessment on his property and how it relates both to other assessments and to legal standards—taxpayers will be in a position to evaluate the fairness of the tax. Moreover, they will be able to monitor the performance of the tax administrators and, if guaranteed ready access to streamlined appeals procedure, they will become a vital force in upgrading the level of property tax administration . . . .
>
> . . . Desirable features of an assessment appeals procedure include the following (a) separation of the appellate function from the administrative function, so that the persons who determine the assessments do not also sit in judgement of them; (b) appellate bodies staffed with full-time, professionally-qualified persons; and (c) an inexpensive and informal appeals procedure modeled after small-claims courts.

Studies conducted by the ACIR and by a subcommittee of the United States Senate have revealed wide disparities among the states in the manner of providing for and conducting property tax assessment appeals. Responses to a recent PAR survey substantiate the differences in property tax appeal procedures.

PROPERTY TAX ASSESSMENT APPEALS AMONG THE STATES—INITIAL STEP IN THE PROCESS

Table 1 shows the initial appeals procedure for property tax assessment among the states. In contrast to the ACIR recommendation, 13 states combine the administrative with the appellate function by requiring that the assessor receive and act upon a taxpayer's initial appeal. Another 12 states provide for initial appeal to local boards below the county level, while county boards act upon initial appeals in a majority of states (29). (Four states—Minnesota, Tennessee, Texas and Wisconsin—have both sub-county and county appeal boards.) The manner of selecting the initial appeal authority also varies: 16 states elect such personnel, 20 states appoint them, and in 14 other states some members are elected while others are appointed. Within this overall picture, the large cities and major metropolitan areas tend to appoint most of the officials, while smaller jurisdictions and rural areas generally elect appeal board members.

TABLE 1. Initial Step in Property Tax Assessment Appeal Process

State	Assessor: Local	Assessor: County	Subcounty Appeal Board	County Appeal Board
Alabama	--	--	--	A
Alaska	--	--	E	--
Arizona	--	E	--	--
Arkansas	--	--	--	A
California	--	--	--	A/E
Colorado	--	A/E	--	--
Connecticut	--	--	A/E	--
Delaware	--	A	--	--
Florida	--	--	--	A
Georgia	--	A	--	--
Hawaii	--	--	--	A
Idaho	--	--	--	E
Illinois	--	--	--	A/E
Indiana	--	--	--	A/E
Iowa	--	--	A	--
Kansas	--	--	--	E
Kentucky	--	--	--	A
LOUISIANA	--	--	--	E
Maine	A/E	--	--	--
Maryland	--	A	--	--
Massachusetts	A/E	--	--	--
Michigan	--	--	A/E	--
Minnesota	--	--	A/E	E
Mississippi	--	--	--	E
Missouri	--	--	--	E
Montana	--	--	--	A
Nebraska	--	--	--	E
Nevada	--	--	--	A
New Hampshire	--	--	A/E	--
New Jersey	--	--	--	A
New Mexico	--	E	--	--
New York	--	--	A	--
North Carolina	--	A	--	--
North Dakota	--	--	E	--
Ohio	--	--	--	E
Oklahoma	--	--	--	A
Oregon	--	--	--	A
Pennsylvania	A/E	A/E	--	--
Rhode Island	A/E	--	--	--
South Carolina	--	--	--	A
South Dakota	--	--	E	--
Tennessee	--	--	A	A
Texas	--	--	A	E
Utah	--	--	--	E
Vermont	E	--	--	--
Virginia	A	--	--	--
Washington	--	--	--	A/E
West Virginia	--	--	--	E
Wisconsin	--	--	A	A
Wyoming	--	--	--	E
TOTAL	13		12 [a]	29 [a]

A=Appointed
E=Elected
a Minnesota, Tennessee, Texas and Wisconsin have both subcounty and county appeal boards.

SOURCE: PAR Survey; U. S. Senate, *Status of Property Tax Administration in the States—Compilation of State Responses to Survey* (Washington, D. C.: 1973); Commerce Clearing House, *State Tax Guide*; *Louisiana Revised Statutes*.

Elected tax assessment appeal boards, whether on the county level or below, usually consist of the municipal or county governing bodies which sit "ex officio" at prescribed times as boards of assessment appeal or review. Members of such boards have little expertise in tax review and exercise many other functions and responsibilities which have little or nothing to do with hearing tax assessment appeals. A decision of the assessor, therefore, may be difficult for such people to understand, much less to evaluate or revise. As members of local or county governing bodies, elected appeal board members may also be influenced by pressure of another sort, as recently summarized by a West Virginia state official:

> County commissioners have an interest in maintaining high assessments because they are also the body that administers county government, and they are vitally interested in the property tax which is their sole source of revenue. [1]

Responses to the PAR survey show that appointed assessors and tax assessment appeal boards are generally selected in three ways: (1) by the county or subcounty governing bodies, (2) by a mayor, county judge or some other local official or (3) by the governor (as in Hawaii, where property tax administration is solely a state function). The basic difference in authority between boards of elected officials and appointed boards is that the only function of the latter is to hear and act upon tax assessment appeals. In states where appointed boards operate, moreover, there exists the common requirement that some or all board members be professionally

[1] U. S. Senate, *Status of Property Tax Administration in the States*, (Washington, D. C.: 1973), p. 153.

familiar with the methods and techniques of property appraisal and tax assessment. Subcounty and county tax assessment appeal boards which are appointed, therefore, do not find themselves burdened with or distracted by other responsibilities, and they can approach their work more professionally and more objectively than most elected boards. And, as noted above, appointed tax assessment appeal boards are becoming more common in densely populated urban areas where the workload is heavier, property appraisal and assessment more complex, and taxpayer concern with equitable treatment more pressing.

State-Level Appeal Bodies

Thirty-two states have state-level, nonjudicial, property tax assessment appeal bodies (such as a state tax commission or board of tax review). In only 15 states, however, do these agencies operate according to the ACIR recommendation that the sole function of a tax assessment appeal body should be to act upon tax assessment appeals. (See Table 2.) In several states the appeal bodies also assess some form of intercounty property—railroads, mines, pipelines or utilities. In still other states, the appeal bodies also exercise varying degrees of supervision over the local assessment process by providing personnel to assist lower-level agencies, by reviewing local assessment rolls, or by prescribing guidelines for assessment procedure. In nine cases (Indiana, Louisiana, Minnesota, Missouri, Oregon, South Carolina, Wisconsin and Wyoming), the state-level appeal bodies perform all three functions: (1) they assess certain property themselves, (2) they supervise the local assessment process for all other property, and (3) they hear assessment appeals. In three of these states (Minnesota, Oregon and Wisconsin), however, the multiple

TABLE 2. Functions of State-Level Tax Assessment Appeal Bodies

State	Hear Tax Assessment Appeals	Assess Intercounty Property	Supervise Local Assessment Process
Alabama	--	--	--
Alaska	X	--	--
Arizona	X	--	--
Arkansas	--	--	--
California	--	--	--
Colorado	X	--	--
Connecticut	--	--	--
Delaware	--	--	--
Florida	--	--	--
Georgia	--	--	--
Hawaii	X	--	--
Idaho	X	--	--
Illinois	--	--	--
Indiana	X	X	X
Iowa	--	--	--
Kansas	X	--	--
Kentucky	X	--	--
LOUISIANA	X	X	X
Maine	X	--	--
Maryland	X	--	--
Massachusetts	X	X	--
Michigan	X	--	--
Minnesota	X	X	X
Mississippi	--	--	--
Missouri	X	X	X
Montana	X	--	X
Nebraska	--	--	--
Nevada	X	--	--
New Hampshire	X	X	--
New Jersey	X	--	--
New Mexico	--	--	--
New York	--	--	--
North Carolina	X	--	--
North Dakota	X	X	--
Ohio	X	--	X
Oklahoma	X	X	--
Oregon	X	X	X
Pennsylvania	--	--	--
Rhode Island	--	--	--
South Carolina	X	X	X
South Dakota	X	--	X
Tennessee	X	--	X
Texas	--	--	--
Utah	X	X	X
Vermont	X	--	--
Virginia	--	--	--
Washington	X	--	--
West Virginia	--	--	--
Wisconsin	X	X	X
Wyoming	X	X	X

SOURCE: PAR Survey; U. S. Senate, *Status of Property Tax Administration in the States—Compilation of State Responses to Survey* (Washington, D. C.: 1973); *Louisiana Revised Statutes.*

functions are performed by different divisions, or sections, within the one agency. For example, a director or commissioner of revenue may hear assessment appeals while other offices within the department assess inter-county property and supervise the local assessment process. On the one hand, this arrangement avoids the problems inherent in requiring one agency, group of people or individual to *perform* all three functions. But it retains the undesirable feature of vesting one person with ultimate *responsibility* for all three functions, thus creating a possibility that the director of revenue, in hearing an assessment appeal, could find himself in conflict between recognizing merit in the taxpayer's complaint and overturning an assessment made by a subordinate or questioning rules and guidelines for which he is responsible.

Whether there is an administrative tax appeal body or not, tax assessment appeals are ultimately settled in the courts, whether on the district, appellate or highest level. In only four states—Kansas, Maryland, North Dakota and South Carolina—is there no provision for appeal to the courts. In each of these states, final appeal is to the state-level appellate agency.

The number of prescribed steps in the property tax assessment appeal process also varies among the states, from a possible minimum of one step in Arizona and California to a maximum of six steps in North Carolina. In most states, however, the process is relatively short and uncomplicated, with 20 states providing for appeal on no more than two levels and 22 others on no more than three. (See Table 3.)

PAR Analysis

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Property Tax Assessment Review and Appeal in Louisiana

Current practices in Louisiana of supervising (reviewing) the local assessment process and of conducting property tax assessment appeals do not deviate radically from national norms. These practices will change, however, after January 1, 1978, when the property tax provisions of the 1974 constitution become effective.

In accordance with the previous constitution and as provided by LSA—R.S. 47:1989, "the value of all taxable property in the state shall be fixed by the Louisiana Tax Commission," an agency consisting of three gubernatorial appointees which also assesses the properties of railroads, pipelines and utilities. Present law requires parish assessors to prepare assessment lists as prescribed by the commission and to deliver copies of the lists to the commission for review. The assessors then establish on the lists the actual valuation of property, as fixed by the commission, as well as the taxes to be levied. (The Louisiana Tax Commission was responsible for enforcing equalization of assessments in the past, but several studies repeatedly dis-

TABLE 3. Number of Steps in Complete Property Tax Appeal Procedure

State	Maximum	Minimum
Alabama	2	2
Alaska	2	2
Arizona	4	1 [a]
Arkansas	3	3
California	2	1 [b]
Colorado	4	4
Connecticut	2	2
Delaware	2	2
Florida	2	2
Georgia	2	2
Hawaii	3	2 [a]
Idaho	3	3
Illinois	3	2 [b]
Indiana	3	3
Iowa	3	3
Kansas	2	2 [c]
Kentucky	5	5
LOUISIANA	3	3
Maine	3	3
Maryland	3	3 [c]
Massachusetts	3	3
Michigan	3	3
Minnesota	5	4 [a]
Mississippi	2	2
Missouri	4	4
Montana	3	3
Nebraska	2	2
Nevada	3	3
New Hampshire	3	2 [a]
New Jersey	3	3
New Mexico	3	2 [a]
New York	3	3
North Carolina	6	6
North Dakota	3	3 [c]
Ohio	4	4
Oklahoma	3	3
Oregon	4	4
Pennsylvania	2	2
Rhode Island	2	2
South Carolina	3	3 [c]
South Dakota	4	4
Tennessee	3	3
Texas	2	2
Utah	4	4
Vermont	3	3
Virginia	4	2 [a]
Washington	5	3 [a]
West Virginia	3	3
Wisconsin	3	3
Wyoming	3	3

Summary

Number of states with 1 or 2 minimum steps in appeal procedure=20

Number of states with 3 minimum steps in appeal procedure=22

Number of states with 4 or more minimum steps in appeal procedure=8

Total=50

a Has optional appeal procedures.

b Courts in California and Illinois hear property tax assessment appeals only under special circumstances. In most cases, decisions of county boards of appeal are final.

c Courts have no involvement in appeal procedure.

SOURCE: PAR Survey for all states except Alabama, Florida, Louisiana, New Jersey, Ohio, Oklahoma and Rhode Island. Information for states other than Louisiana was obtained from Commerce Clearing House, *State Tax Guide*. For Louisiana, information was obtained from the *Louisiana Revised Statutes*.

closed major discrepancies in tax appraisal and assessment practices statewide. These inequities in property tax administration led eventually to the case of *Bussie* v. *Long*, in which a Baton Rouge district judge ruled that the state *must* provide for equalization of property tax assessments. The court ruling, in turn, was a compelling factor in writing the property tax provisions of the 1974 constitution.)

Once these steps have been taken, an individual assessor submits his lists to the parish governing authority which sits as a board of review. For a prescribed length of time, and as advertised in a local newspaper, the lists are available for public inspection. Only during this period does a taxpayer have the right to question the manner in which his property was assessed and to request that his assessment be lowered. A Louisiana taxpayer also has the legal right at this same time to *question*, but not to appeal, the assessment of any other piece of property on the assessor's lists "if he considers such assessment too low." If the board of review determines that the valuation of the taxpayer's property is too high, the board shall request the tax commission to lower its initial valuation. Should the commission refuse to do so, the taxpayer may initiate a final appeal to the district court in whose jurisdiction his property is located.

New Constitutional Provisions

The Louisiana Constitution of 1974 requires that each assessor shall assess residential property at 10% of "fair market value," agricultural and horticultural lands at 10% of "use value" and "other property" at 15% of "fair market value"—all to be "determined in accordance with criteria which shall

be established by law and which shall apply uniformly throughout the state." Rules for statewide uniformity of both assessment and appraisal are thus constitutionally provided. But "each assessor," rather than the Louisiana Tax Commission, is given the authority to determine the "fair market value" or "use value" of taxable property within his parish or district. The commission retains, however, the authority to assess "public service properties."

The procedure for supervising property tax assessment (to take effect on January 1, 1978) is contained in Article VII, Part II, Section 18 (E), of the present constitution:

> Review. The correctness of assessments by the assessor shall be subject to review first by the parish governing authority, then by the Louisiana Tax Commission or its successor, and finally by the courts, all in accordance with procedures established by law.

Several informed persons, some of whom were delegates to the Constitutional Convention, have furnished PAR with conflicting interpretations of the meaning and intent of this provision. One view holds that Section 18 (E) authorizes only an appellate process. If this view proves to be correct, neither the parish governing authority nor the tax commission could initiate supervisory action over the assessors but would instead have to await the initiation of an appeal by an aggrieved taxpayer. Once the appeal was initiated, moreover, the authority of both agencies would presumably be restricted to acting on that one case alone. Support for the interpretation that Section 18 (E) refers only to tax assessment appeals may be obtained, if not conclusively, from the phrasing of the provision as it was originally introduced in the Constitutional Convention as Committee Proposal No. 26:

> Any taxpayer shall have the right to test the correctness of his assessment before the Louisiana Tax Commission subject to review by the district court at the domicile of the assessing authority.

Another view of the meaning and intent of Section 18 (E) is held by those who emphasize that the "review" aspect gives both the parish governing authority and the tax commission (or its successor) clear authority (on their own initiative) to "review" the lists of the parish assessors. That such authority must, however, be spelled out in statutory form in order to be effective is apparent from a revealing discussion between Delegate Walter I. Lanier, Jr. and Delegate Pegram J. Mire (an assessor), taken from the transcripts of floor debates of the Constitutional Convention:

> Mr. Lanier: Mr. Mire, I'd like to direct your attention to Subparagraph (D) dealing with the review of the assessments by local government and by the Tax Commission. I note that this proposal provides that this review by the governing authority and the Tax Commission will be in accordance with procedures established by law. Am I correct that in the present (1921) constitution, the Tax Commission has authority to require uniform assessments, and that's in the constitution?
>
> Mr. Mire: Yes, sir.
>
> Mr. Lanier: Is that contained anywhere in this proposal?
>
> Mr. Mire: Yes, it is.
>
> Mr. Lanier: What paragraph?
>
> Mr. Mire: The proposal itself says that properties will be assessed uniformly statewide, and then it only says who will assess specific proper-

ties, you see. It says 'and the assessor will assess a certain type of property and the Louisiana Tax Commission will assess the other type,' but they are charged with the responsibility of using fair market value.

Mr. Lanier: Well, suppose somebody doesn't use fair market value, is it your opinion that, even without authority in the constitution, and with no statutory authority, that the Tax Commission could require an assessor to assess at fair market value?

Mr. Mire: Well, I don't follow your question that this proposal does not provide for fair market value assessment.

Mr. Lanier: I know it does, but I'm getting at . . . suppose somebody doesn't?

Mr. Mire: Well, the legislature will have to provide for a police action of a sort that will make it positively that the local governing authority and/or the Tax Commission, both jointly or individually, can, in fact, come in and check and make the assessor do it under certain penalties.

Mr. Lanier: Is there any provision in here that says that the legislature shall do this?

Mr. Mire: Well, of course, it says that they will establish the law, and I assume that they will because there will be many, many local taxing authorities looking at them to do so. This was discussed at length, and we certainly would like to be positive about that that it will have to be done. We feel that the court order will mandate it. . . .

Mr. Lanier: What is the present law with reference to the authority or ability of a parish governing authority to review an assessment?

Mr. Mire: Well, presently, he can review the tax roll and recommend to the Louisiana Tax Commission, changes. This is done on an annual basis.

Mr. Lanier: Can the local government itself, make any changes or does it only recommend?

Mr. Mire: It can only recommend to the Louisiana Tax Commission.

Mr. Lanier: Under the present (1921) constitution, does the Tax Commission have the authority to mandate the assessor to make changes?

Mr. Mire: Yes, sir.

Mr. Lanier: But that authority is not specifically granted in this proposal, is that correct?

Mr. Mire: No. We would like that to be statutory. [2]

A third interpretation of the meaning and intent of Section 18 (E) is that *both* a review and appellate procedure are authorized, but that the Legislature must make statutory provision for the operation of each procedure.

The necessity for some form of meaningful supervision of the assessors was vividly stated by the Governor during his address to the convention on January 10, 1974:

> You should have some specific, harsh, definite provisions penalizing assessors who do not do their duty in accordance with whatever is decided. That's very important. We have to have an automatic triggering device which will require the compliance with whatever decisions are made on assessment practices. We can no longer tolerate the situation which has existed for fifty years, where there's no certainty, and where property owners are left to the whim of the assessors. You know I don't have a better group of friends than the assessors. But, that's not good government. I must say to

2 Louisiana Constitutional Convention of 1973, *Official Transcript of the Constitutional Convention*, Sixty-Sixth Day's Proceedings, pp. 12-13.

the credit of the assessors that they are willing to accept such a provision because they want to do their duty. But you cannot expect an assessor elected in 1974 to undo a fifty-year pattern of his predecessors in property tax assessments unless we give him the basis to do it and the mandate to do it 3

COMMENT AND RECOMMENDATIONS

The familiar inequities of the past surrounding property tax administration in Louisiana should *not* be allowed to reappear—such as having homes of comparable worth assessed at 25% of value in New Orleans but at only 8% in nearby Metairie, or for similar properties to be appraised or assessed differently within the same parish. Such inequities can be greatly minimized by making local property tax assessment more responsible and more efficient. This objective, in turn, will require effective statutory implementation of Section 18 (E) of the constitution to provide for *both* state-level supervision of assessors on a meaningful basis *and* for an effective property tax assessment appeals process. It is imperative that assessors be effectively supervised by a state agency legally mandated to play a strong and comprehensive role in the enforcement of appraisal and assessment standards. An independent state-level tax assessment appeal body is equally necessary. If it is determined that either or both of these agencies cannot be constitutionally authorized, then appropriate amendments to the constitution should be proposed.

3 Louisiana Constitutional Convention of 1973, *Official Journal of the Proceedings and Calendar of the Constitutional Convention of 1973 of the State of Louisiana*, Vol. II, p. 1161.

Recommendations

In order to insure equity in property tax administration, PAR recommends the following:

1. The Louisiana Tax Commission (and/or its successor) should be statutorily mandated to exercise strong and comprehensive supervision over the local assessment process. "Review" by the parish governing authority could not be accomplished as thoroughly or as systematically as the necessity for such supervision demands. First of all, members of local governing bodies are not likely to be knowledgeable in assessment practices and also are involved in a wide variety of local government functions. In addition, the members are elected to their office, and it may be difficult for them to be objective and impartial at times.

Nor could the courts perform the task with sufficient dispatch, regularity or expertise. Duties of the state-level supervisory agency should include preparation of assessors' manuals, the conduct and public dissemination of annual sales-assessment ratio studies (by classes or property), responsibility for administering professional training programs for appraisal personnel, and enforcement of constitutional and statutory provisions relative to tax appraisal and assessment.

2. Strong penalties should be provided if assessors or the state tax commission fail to comply with the law.

3. As soon as possible after January 1, 1978, and in no case later than two weeks prior to the time scheduled by the parish governing authority to sit as a board of review, each parish assessor should be required

to inform all taxpayers *individually* by mail of the assessed value of their property. This would be a one-time notice to all taxpayers since the new assessment levels become effective as of that date. The timing of the communication would provide taxpayers with sufficient advance notice to appear before the local board of review if they desired to do so. These notices should contain reference to the taxpayer's right to appeal his assessment and should describe the appellate process in sufficient detail.

After the initial notice, assessors should notify taxpayers of any *increase* in the assessed value of their property and explain the reason for the increase.

4. A taxpayer's right to *question* any "low" assessment other than his own on the assessor's list should be maintained as currently provided by law. It is unlikely that a taxpayer who is underassessed would appeal his assessment. However, persons assessed at the mandatory level would have a proportionately higher tax burden than would the person with an assessment below the mandatory level. The right to "question" would call attention to properties that are underassessed and which might otherwise escape an upward adjustment.

5. An aggrieved taxpayer should initiate his appeal with the local board of review if it involves property assessed by the local assessor, or with the state board of tax appeals for property assessed by the tax commission. In order to assist local governing bodies in their review of appeals, they should be authorized *either* to: (a) appoint boards of tax assessment review *or* (b) appoint committees of professionally qualified independent appraisers to hear assessment appeals and to make recommendations to the governing body when it sits as a board of tax assessment review. Before rendering a decision on an appeal, the local board of review should first check with the state tax commission to establish whether or not the aggrieved taxpayer's assessment is in conformity with mandatory statewide levels of valuation. If it is determined that the taxpayer has *not* been overassessed, then the taxpayer should have the right of further appeal to the state board of tax appeals. If it is determined that the taxpayer *has* been overassessed, the local board of review should have the authority to order the assessor to reduce the assessment. In such a case, however, the *assessor* should also have the right of appeal to the state board of tax appeals.

6. Under a 1976 act reorganizing the executive branch of state government, the Louisiana Tax Commission would become a part of the Department of Revenue and Taxation. This will result in one department having overall responsibility for three functions of property tax administration—assessment of public service properties, review of the local assessment process and hearing property tax assessment appeals. Property tax assessment appeals should be heard by an appointed body *independent* of other agencies which either assess property or supervise the local assessment of property. The state-level tax assessment appeal body—to insure its independence—should be placed in an executive department *other* than the Department of Revenue and Taxation (such as Commerce or Treasury).

7. The state board of tax appeals should hear appeals on assessments of

all types of property—residential, commercial and public utility—and should be authorized to employ professional appraisers to assist and advise the agency in its review of complicated tax assessments.

In conclusion, past studies have shown Louisiana taxpayers to be victims of gross inequities in the assessment of property with little or no effort being made at the state or local level to implement fair and equitable assessment practices.

The 1974 constitution and subsequent statutory law provide an opportunity to correct many of the inequities now existing in property assessment. However, it is unlikely that there will be any semblance of equity unless (1) there is strong and effective supervision exercised by the state tax commission and (2) taxpayers have available a clearly defined and expeditious procedure for appealing inequities in their assessments. Strong penalties for failure to comply with such provisions should be adopted and enforced. Only in this way can Louisiana taxpayers expect fair and equitable assessment of their property.